

806 KAR 13:090. Premium financing.

RELATES TO: KRS 304.13-051, 304.13-071, 304.13-031, 304.30-090

STATUTORY AUTHORITY: KRS 304.2-110

NECESSITY, FUNCTION, AND CONFORMITY: KRS 304.2-110 provides that the Commissioner of Insurance may make reasonable rules and administrative regulations necessary for or as an aid to the effectuation of any provision of the Kentucky Insurance Code. This administrative regulation permits additional charges to be made on insurance premiums when the premiums are made in installments.

Section 1. A property or casualty insurer, after filing with and approved by the Commissioner of Insurance, may charge a different rate for insurance when the premium therefor is payable in installments rather than in cash.

Section 2. Additional charges based on installment payments shall not exceed those permitted to be charged by premium finance companies; nor shall such financing be on terms less favorable to insureds than are permitted in financing by premium finance companies.

Section 3. Gross premiums on any policies, whether arising from cash rate premiums, installment service charges, or any other surcharges approved by the commissioner, shall be used as the basis upon which premium taxes shall be determined. (I-13.14; 1 Ky.R. 1081; eff. 7-2-75; Am. 27 Ky.R. 1341; 1807; eff. 1-15-2001; TAm eff. 8-9-2007; Crt eff. 2-26-2020; TAm eff. 3-10-2020.)